

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY PUBLIC SERVICE COMMISSION	)	
	)	
VS.	)	CASE NO. 9710
	)	
ELK LAKE SHORES WATER COMPANY	)	

O R D E R

The Commission, on its own Motion, hereby orders that:

1. A hearing be and it hereby is scheduled on November 20, 1986, 9:00 a.m., Eastern Standard Time, in the Commission's Offices, Frankfort, Kentucky.

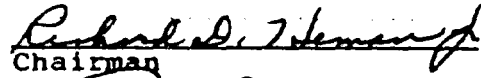
2. Elk Lake Shores Water Company ("Elk Lake") shall appear at the hearing and show cause, if any it can, why it should not be subject to the penalties prescribed in KRS 278.990 for failure to comply with the Commission's regulations as set forth in the attached Commission staff report.

3. The report on the reinspection of Elk Lake attached hereto as Appendix A, shall be included as a part of the record in this proceeding. A Commission staff member will be available at the hearing for cross-examination about the attached report.

4. Elk Lake shall have until the close of business 2 weeks from the date of this Order to file written comments concerning the contents of Appendix A.

Done at Frankfort, Kentucky, this 20th day of October, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Executive Director

Commonwealth of Kentucky  
Public Service Commission

**REPORT OF REINSPECTION**

Elk Lake Shores Water Company  
Owenton, Kentucky

October 9, 1986

A periodic inspection of Elk Lake Shores Water Company was made March 14, 1986.

At that time the following deficiencies were noted:

1. The Company has no master meter to measure the quantity of water produced as required by Section 7 (1) of 807 KAR 5:066.
2. The 100,000-gallon storage facility is in need of inspection and cleaning as required by Section 23 (5)(a) of 807 KAR 5:006 and Section 4 (4)(a) of 807 KAR 5:066.
3. Pressure surveys are not being performed as required by Section 6 (3) of 807 KAR 5:066.
4. The Company does not flush dead-end lines as required by Section 9 (2) of 807 KAR 5:066.
5. The Company has no meter-test program or history cards on each meter as required by Section 13 and Section 15 of 807 KAR 5:006.
6. There is no emergency standby pumping equipment in the event of failure of the primary pumping facilities as required by Section 5 (3) of 807 KAR 5:066.
7. The Company is charging a \$250.00 connection fee for new customers which is in violation of Section 14 (3)(a) of 807 KAR 5:066.

Elk Lake Shores did not respond to this inspection as it was directed by Claude G. Rhorer, Jr., in his letter of April 1, 1986. On August 8, 1986, a reinspection of the utility was conducted to

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determine if the deficiencies had been corrected. This follow-up inspection was conducted with the assistance of Michael Dowdy, Plant Production Manager of the utility. None of the previously reported deficiencies have been corrected.

#### Summary

The Elk Lake Shore Water Company has failed to correct deficiencies reported in three consecutive inspections of 1984, 1985, and 1986. In addition Elk Lake Shores has failed to comply with the Commission's Order in C.N. 9338 which directed the utility to prepare and follow a plan for accomplishment of work essential to its compliance with Commission regulations.

#### Recommendations

Several of the deficiencies listed above are repeated from the 1984 inspection of the Elk Lake Shores Water Company. The Company has not corrected these deficiencies in spite of its being directed to do so. In addition the Company has not complied with the Commission Order in C.N. 9338. It is therefore recommended that the Commission conduct show cause proceedings for the purpose of assessing penalties against the Company, its officers, and employees as provided by KRS 278.990.

Submitted,  
October 9, 1986

George Allison  
George E. Allison  
Utility Investigator

CGR:GEA:aem

EPS